



GAIL FARBER, Director

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

37 September 13, 2016

LORI GLASGOW
EXECUTIVE OFFICER

September 13, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**CONSTRUCTION-RELATED CONTRACT
PUBLIC BUILDINGS CORE SERVICES AREA
RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER
CONSOLIDATION PROJECT
APPROVE REVISED PROJECT BUDGETS
APPROVE AND AWARD SUPPLEMENTAL AGREEMENT 1 TO
AGREEMENT PW 13892
(SUPERVISORIAL DISTRICT 4)
(3 VOTES)**

SUBJECT

This action will find the recommended actions within the scope of previously certified environmental documents for the Rancho Los Amigos National Rehabilitation Center Consolidation project, approve revised project budgets for the New Outpatient Building and Seismic Retrofit and Inpatient Consolidation project components, and approve and award a supplemental agreement for procurement of interim facilities.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the award of Supplemental Agreement 1 to Agreement PW 13892 for the procurement and installation of interim facilities is within the scope of the environmental impacts analyzed in the previously certified Environmental Impact Report as amended by certified Addendum Nos. 1 and 2 for the project.

2. Approve the program refinements and budget reallocation for the two project components as follows: \$150,473,608 for the Seismic Retrofit Compliance and Inpatient Consolidation, Capital Project No. 69774, and \$110,570,103 for the New Outpatient Facilities, Capital Project No. 69656. The previously Board approved total project budget of \$418,418,708 for the Rancho Los Amigos National Rehabilitation Center Consolidation project remains unchanged.

3. Approve and authorize the Director of Public Works or her designee to execute Supplemental Agreement 1 to Agreement PW 13892 to Jacobs Project Management Co. for the Rancho Los Amigos National Rehabilitation Center Consolidation project to procure leased, interim facilities, and to establish the effective date of the supplemental agreement following Board approval. Supplemental Agreement 1 will be for a \$3,559,770 not to exceed fee funded by Capital Project No. 69774.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find that the award of Supplemental Agreement 1 to Agreement PW 13892 to Jacobs Project Management Co. and the procurement and installation of interim facilities are within the scope of impacts analyzed in the previously certified Environmental Impact Report (EIR) as amended by certified Addendum Nos. 1 and 2; approve the scope refinements and budget reallocation for the Seismic Retrofit and Inpatient Consolidation and New Outpatient Facilities project components; and award Supplemental Agreement 1 to Jacobs for the procurement of leased interim facilities. The Rancho Los Amigos National Rehabilitation Center campus is located at 7601 East Imperial Highway in the City of Downey.

Background

Between April 2006 and November 2015, the Board approved various actions related to the consolidation of the Rancho Los Amigos National Rehabilitation Center inpatient and outpatient services. The Rancho Los Amigos National Rehabilitation Center Consolidation (RLANRCC) project includes the following Capital Project (C.P.) components: Seismic Retrofit and Inpatient Consolidation, C.P. No. 69774; New Outpatient Facilities, C.P. No. 69656; Wellness Center (formerly Accessible Gymnasium, Wellness, and Aquatic Center), C.P. No. 69773; Hospital Infrastructure, C.P. No. 69663; Harriman Building Renovation, C.P. No. 87175; SSA Building Renovation, C.P. No. 87150; and North Campus Infrastructure and Demolition, C.P. No. 69664.

In November 2012 and July 2014, the Board approved and certified Addendum Nos. 1 and 2 to the EIR prepared for the RLANRCC project to account for project scope refinements, including a reduction in the number of hospital beds provided, and the addition of the warehouse building and Wellness Center. In July 2014, the Board also authorized the execution of a consultant services agreement with Jacobs to provide construction management and project controls support services and authorized Public Works to procure up to 55,000 square feet of interim facilities.

In February 2015, the Board awarded a design-build contract to McCarthy Building Companies, Inc., for the design and construction of the Seismic Retrofit and Inpatient Consolidation, New

Outpatient Facilities, Wellness Center, and Infrastructure project components and approved a \$418,418,708 revised total project budget for the RLANRCC project.

Project Progress

Construction of the new Outpatient Building, Jaqueline Perry Institute (JPI) Expansion and remodel, and hospital infrastructure improvements are currently underway. The projects are on time and on budget. The new warehouse building and Wellness Center were substantially completed in July and August 2016, respectively. Public Works has proceeded to install 11,000 square feet of interim facilities to house departments who have been displaced by construction activities. Programming for the Harriman and Support Services Annex Building renovation project components has been completed and the preparation of construction documents is currently underway.

The Magnetic Resonance Imaging (MRI) Suite was originally programmed to be in the new Outpatient Building. During program validation, the MRI Suite was relocated to the JPI Expansion as it was found to be more cost effective to group all radiology/imaging departments within the same building. Therefore, reallocation of budget between the two project components is recommended.

Procurement of Interim Facilities

The current Board-approved contract with Jacobs includes a provision for the procurement of interim facilities for the RLANRCC project. Construction field offices for the County staff was procured through this contract. The procurement cost of these field offices has been more cost effective compared to the cost of procuring the initial 11,000 square feet of interim facilities for the RLANRCC project. The savings are due to Jacobs' ability to lease refurbished modular buildings versus leasing new modular buildings. Another advantage of using refurbished modular buildings is that it will reduce the time it takes to procure the interim facilities as they do not have to be constructed from the ground up. Public Works, therefore, recommends that the remaining 44,000 square feet of interim facilities be procured through Jacobs' agreement for the RLANRCC project.

The recommended Supplemental Agreement 1 to Jacobs' agreement of \$3,559,770 includes procurement, installation, and demobilization of the modular buildings; interior tenant improvements; furniture, fixtures, and equipment; and the cost to lease the modular buildings and furniture, fixtures, and equipment.

Green Building/Sustainable Design Program

The RLANRCC project will support the Board's Green Building/Sustainable Design Program by obtaining a United States Green Building Council Leadership in Energy and Environmental Design Silver Certification and will incorporate design and construction sustainable features to optimize energy and water use, enhance the sustainability of the site, improve indoor environmental quality, and maximize the use and reuse of sustainable and local resources.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness/Fiscal Sustainability (Goal 1) by maximizing the effectiveness of process, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and effective public

health services. It also directs that we ensure Community Support and Responsiveness (Goal 2) to reflect the County's continued focus on serving constituents in a proactive and responsive manner. Lastly, it directs us to provide Integrated Services Delivery (Goal 3) by maximizing opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services.

FISCAL IMPACT/FINANCING

On February 24, 2015, the Board approved a budget reallocation for the following project components: \$143,385,810 for the Seismic Retrofit Compliance and Inpatient Consolidation, C.P. No. 69774, and \$117,657,901 for the New Outpatient Facilities, C.P. No. 69656. The recommended budget reallocation will be included in the Fiscal Year 2016-17 Supplemental Budget and will transfer \$7,087,798 from C.P. No. 69656 to C.P. No. 69774 to cover the cost of relocating the MRI Suite from the Outpatient Building to the JPI Expansion. The revised budget for C.P. No. 69774 will be \$150,473,608 and for C.P. No. 69656 will be \$110,570,103. The Board-approved \$418,418,708 total project budget for the RLANRCC project will remain unchanged.

The recommended Supplemental Agreement 1 to Jacobs Agreement PW 13892 is for a \$3,559,779 not-to-exceed amount. There is sufficient funding in the budget for the Seismic Retrofit Compliance and Inpatient Consolidation, C.P. No. 69774, under the construction budget category to cover the cost of Supplemental Agreement 1. This action will not result in an increase to the overall total project budget for C.P. No. 69774, nor the overall \$418,418,708 total project budget for the RLANRC project.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A standard supplemental agreement, in the form previously approved by County Counsel, will be used. The existing consultant services agreement with Jacobs includes terms and conditions supporting the Board's ordinances and policies, including, but not limited to: County Code Chapter 2.200, Child Support Compliance Program; County Code Chapter 2.202, Contractor Responsibility and Debarment; County Code Chapter 2.203, Contractor Employee Jury Service Program; County Code Chapter 2.206, Defaulted Property Tax Reduction Program; Board Policy 5.050, County's Greater Avenues for Independence and General Relief Opportunities for Work (GAIN/GROW); Board Policy 5.060, Reporting of Improper Solicitations; Board Policy 5.110, Contract Language to Assist in Placement of Displaced County Workers; and Board Policy 5.135, Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law).

ENVIRONMENTAL DOCUMENTATION

The original RLANRCC project was analyzed in an EIR that was certified by the Board, as lead agency, on April 7, 1992, and a Mitigation Reporting and Monitoring Plan was adopted at the time of certification. On February 26, 2013, the Board certified Addendum No. 1 to the EIR for the refined project, which reduced the number of licensed beds assigned to the JPI, included additional demolition of aging buildings, and allocated space for future construction of buildings to support Veteran's Administration programming. Approval of the refined project in 2013 analyzed in the previously certified addendum resulted in fewer licensed hospital beds for the JPI than authorized in the project as approved in 1992.

Further revisions to the previously approved project were subsequently proposed, including the addition of a new stand-alone warehouse, construction of the Wellness Center, and the use of interim facilities during construction to facilitate continuity of hospital services at the campus during implementation. The second Addendum to the EIR was certified by the Board for the refinements to the project on July 29, 2014.

Award of the proposed Supplemental Agreement 1 to Jacobs' consultant services agreement for the RLANRCC project and the procurement of interim facilities are within the scope of the environmental impacts analyzed in the previously certified EIR as amended by certified Addendum Nos. 1 and 2 for the RLANRCC project. The use of interim facilities was previously evaluated in certified Addendum No. 2 to the EIR. There have been no changes proposed regarding the use of the previously approved interim facilities. Therefore, no new EIR is required under Section 15164 of the State CEQA Guidelines. The previously adopted Mitigation Reporting and Monitoring Plan will continue to apply, as applicable.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Determination with Registrar-Recorder/County Clerk in accordance with Section 21152(a) of the California Public Resources Code.

CONTRACTING PROCESS

On July 29, 2014, the Board awarded a consultant services agreement to Jacobs for a \$15,000,000 not-to-exceed fee to provide construction management and project controls support services to augment Public Works project management staff for the RLANRCC project. On August 7, 2014, Public Works executed Consultant Services Agreement PW 13892 with Jacobs. The proposed Supplemental Agreement 1 to Agreement PW 13982 is for a \$3,559,770 not-to-exceed amount, approximately 23.7 percent of the original contract amount and will increase the overall contract amount to \$18,559,770.

Jacobs' Community Business Enterprise participation data and 3-year contracting history are on file with Public Works.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current County services or projects during the performance of the recommended action.

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Capital Programs Division; Department of Health Services, Capital Projects Division; and the Department of Public Works, Project Management Division II.

Respectfully submitted,

A handwritten signature in black ink that reads "Gail Farber". The script is cursive and fluid.

GAIL FARBER
Director

GF:ME:ec

c: Auditor-Controller
Chief Executive Office (Capital Programs
Division)
County Counsel
Executive Office
Internal Services Department
Department of Public Social Services
(GAIN/GROW Program)